

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA

IN RE:

Mayfair Mills, Inc.

Debtor.

Chapter 11

Case No. 01-08491-W

FILED
01 SEP 21 PM 3:50
U.S. BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

TO: ALL CREDITORS AND PARTIES IN INTEREST

**NOTICE AND APPLICATION FOR SALE OF PROPERTY FREE AND CLEAR OF
LIENS, ENCUMBRANCES AND OTHER INTERESTS
PURSUANT TO 11 U.S.C. §363(b)(1) and (f)**

YOU ARE HEREBY NOTIFIED that the Debtor seeks court authorization to sell certain assets free and clear of all liens, encumbrances, and interests in accordance with 11 U.S.C. §363(b)(1) and (f).

Please see the attached **Order and Notice of Emergency Hearing** for the date, time, and location of the hearing on this application and the time period for filing any response or objection to the application.

TYPE OF SALE: Private.

PROPERTY TO BE SOLD: Land, buildings, machinery, equipment, and yarn at the Debtor's Pickens, South Carolina, plant. All assets are to be sold "as is, where is". Please see the attached commitment letter and listing of assets to be sold. The formal Purchase Agreement will be executed on or before September 25, 2001, and will not differ from the letter of intent in any material respect.

SALES PRICE: \$2,150,000.

APPRAISED VALUE: Machinery Equipment and Yarn: Forced liquidation - \$1,637,477; Orderly liquidation - \$2,432,688. Land and Buildings: \$300,000.

BUYER: Central Textiles, Inc. of New York, New York. Purchaser has no connection with the Debtor.

PLACE AND TIME OF SALE: Purchaser has indicated that a condition of the sale is that closing must occur on or before October 10, 2001. Closing will take place at a location mutually desirable by both parties on or before October 10, 2001.

SALES AGENT/AUCTIONEER/BROKER: None

COMPENSATION TO SALES AGENT/AUCTIONEER/BROKER: N/A

ESTIMATED TRUSTEES COMMISSION ON SALE: N/A

LIENS/MORTGAGES/SECURITY INTERESTS ENCUMBERING PROPERTY: Wachovia Bank is owed approximately \$20,000,000 and has lien on all the assets at issue in this application.

DEBTOR'S EXEMPTION: None.

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PROCEEDS ESTIMATED TO BE PAID TO ESTATE: All proceeds generated from the sale will be paid to Wachovia Bank, secured lienholder, subject to the unsecured creditors' carve-out as provided for in the debtor-in-possession financing orders entered by the court.

Debtor is informed and believes that it would be in the best interest of the estate to sell the assets by private sale. The debt to Wachovia will be reduced and funding for the unsecured creditor carve-out will be provided. The court may consider additional offers at the hearing held on this notice and application for sale. The court may order at any hearing that the property be sold to another party on equivalent or more favorable terms.

The Debtor may seek appropriate sanctions or other similar relief against any party filing a spurious objection to this notice.

WHEREFORE, Debtor requests that the court issue an order authorizing sale of said property and such other and further relief as may be proper.

ROBINSON, BARTON, MCCARTHY
& CALLOWAY, P. A.

BY: 

G. William McCarthy, Jr., I.D.#2762

Nancy E. Johnson, I.D.#6909

Attorneys for the Debtor

1715 Pickens Street

P. O. Box 12287

Columbia, SC 29211

(803) 256-6400

Columbia, South Carolina
September 11, 2001.

Address of Court
J. Bratton Davis United States Bankruptcy Courthouse
P.O. Box 1448
Columbia, SC 29202



Tel: (212) 213-8740

Fax: (212) 545-0603

CENTRAL TEXTILES INC.

10 East 40th Street - Room 3410 - New York, NY 10016-0301

September 20, 2001

Mr. Frederick B. Dent, CEO
Mr. Frederick B. Dent, Jr., President
Mayfair Mills, Inc.
1885 Hayne Street
Arcadia, South Carolina 29320

Re: Pickens Plant

Gentlemen:

Following up our earlier conversations and plant visits, we have appraised the plant and equipment at the Pickens Plant and have performed a financial analysis of a potential purchase of such assets. Based upon our appraisals and analysis, this non-binding letter outlines the basic terms under which we are prepared to proceed with the purchase from Mayfair Mills, Inc., described below. The purchase price shall be \$2,150,000 payable in full upon closing in cash, for the land and buildings and the machinery and equipment and yarn listed on the attached inventory and as inspected by myself and Bill Steen on August 19th, free and clear of all liens and encumbrances whatsoever including all past due, if any, ad valorem and personal property taxes and subject to customary prorations. We believe this is a fair offer based on the age and condition of the equipment and the fact that the plant has not run for a number of weeks, employees are dispersed, customers have found alternate sources and significant investment in the machinery and equipment are necessary.

The following shall be conditions to our obligation to acquire the above-referenced assets. Our obligation to acquire the assets is subject to our receipt of an environmental investigation report, title report, UCC search and survey on the assets acceptable to us as well as approval of our lenders, and it is conditioned upon a closing of the transaction not later than October 10, 2001. The transaction would be contingent upon Bankruptcy Court approval.

As you know, we have engaged an environmental engineering firm, which has already begun a Phase One environmental survey, and we appreciate your cooperation in their work. Assuming that an acceptable report results and there are no unforeseen title or survey matters, we believe we will be able to obtain approval from our lenders for the transaction as outlined above.

September 20, 2001

Page 2 - Pickens Plant

It is our hope that we would be able to hire many of the former employees of Mayfair Mills, Inc., should this proposed transaction be consummated.

Upon execution of this letter of intent by both parties, our attorney will commence the preparation of an Agreement of Purchase and Sale (the "Purchase Agreement"). Both parties shall use diligent efforts to cause the Purchase Agreement to be fully negotiated and mutually executed no later than September 25, 2001.

This letter of intent represents only a non-binding expression of present intent to continue negotiations in order to determine if Central Textiles, Inc. and Mayfair Mills, Inc. will enter into a Purchase Agreement.

If the general terms and conditions of this letter are acceptable, please so indicate by executing and faxing a copy of this letter to me.

Sincerely,

CENTRAL TEXTILES, INC.


James M. McKinnon
President

JMMcK:cj

Attachment

The foregoing is accepted and agreed
to on behalf of Mayfair Mills, Inc.

MAYFAIR MILLS, INC.

By: _____

Pickens County, SCTract One

All those thirteen (13) pieces, parcels or tracts of land in Pickens County, South Carolina, containing in the aggregate Thirty-five (35) acres, more or less, and being more particularly and accurately described on a plat of Walter L. Davis, Surveyor, dated August 4, 1958 and revised February 15, 1960, a copy of which has been recorded in Plat Book 1920 at page 167-A in the Office of the Clerk of Court of Pickens County and identified therein in red as Tracts 1-A, 2-A, 3-A, 4-A, 5-A, 6-A, 7-A, 8-A, 9-A, 10-A, 11-A, 12-A and 13-A. Of the above described tracts of land, only one, to-wit, No. 7-A, containing one-fourth (1/4) of an acre, more or less, is located in the corporate limits of the Town of Pickens.

This is part of the same property described in Deed of Pickens Mill to Mayfair Mills (now Mayfair Mills, Inc.) dated May 13, 1964 and recorded May 13, 1964 in Deed Book 10-N at page 200-201 in the Office of the Clerk of Court of Pickens County. This includes all property acquired by Mayfair Mills, Inc. from Pickens Mill and still owned by Mayfair Mills, Inc., including the properties designated by the following Pickens County Block Map Numbers:

G-10 14 0240

G-10 14 0180

G-10 14 059F

G-10 14 0480

G-10 14 0490

Mayfair Mills, Inc.
Pickens Division

Equipment Listing Summary

# of Machines	Model	Manufacturer	Year	DESCRIPTION
Opening Equipment				
1	OPTIMIX	HOLLINGWORTH	1990	COTTON TOP FEEDER
1	RESERVE	HOLLINGWORTH	1990	COTTON HOPPER
1	WRZ CLEANER	HOLLINGWORTH	1990	COARSE COTTON CLEANER
1	RN CLEANER	TRUTSCHLER	1974	COTTON CLEANER
1	MASTER CLEAN	HOLLINGWORTH	1981	FINE COTTON CLEANER
1	RESERVE	HOLLINGWORTH	1978	HOPPER TO RN
1	RESERVE	TRUTSCHLER	1978	COTTON TO IMM. BLENDERS
4	BLENDERS	TRUTSCHLER	1978	INTIMATE BLENDERS
1	SNOWFLAKE	FIBER CONTROL	1988	POLYESTER TOP FEEDER
1	RESERVE	FIBER CONTROL	1988	POLYESTER RESERVE TO I.B.
2	MULTI-MIXER	TRUTSCHLER	1978	8-CELL RESERVE TO CARDS
1	SHRED MASTER	CMC EVERFEED	1978	REWORKABLE WASTE FEED
Carding				
24	PLATT 600	PLATT SACO LOWELL	1974	CARDS
4	PLATT 600	PLATT SACO LOWELL	1976	CARDS
28	FRONTS	CROSROL	1974	ROLLS AND COILERS
3	FINE OPENER	TRUTSCHLER	1979	RESERVE AND OPENER/CARDS
1	FINE OPENER	TRUTSCHLER	1983	RESERVE & OPENER / CARDS
28	USTERS	ZELLEWAGER USTER	1974	AUTOLEVELERS
28	CHUTES	TRUTSCHLER	1974	CARD FEED
Drawing				
8	DO2	RIETER	1978	BREAKERS (DUAL DELIVERY)
8	DO2	RIETER	1978	INTERMEDIATE (DUAL DELIVERY)
8	RSB 851	RIETER	1984	FINISHERS (SINGLE DELIVERY)
1	RSB 951	RIETER	1985	FINISHER (SINGLE DELIVERY)
1	RSB 951	RIETER	1988	FINISHER (SINGLE DELIVERY)
Spinning				
11	802H	MURATA	1983	4-ROLL AIR JET SPINNING 72 SPINDLE
5	802	MURATA	1988	3-ROLL AIR JET SPINNING 80 SPINDLE
14	801	MURATA	1985	3-ROLL AIR JET SPINNING 80 SPINDLE
4	801	MURATA	1980	3-ROLL AIR JET SPINNING 80 SPINDLE
3	.	MURATA	1982	STARTER MAKER
Warping				
2	WARPERS	WEST POINT	1984	WARPER
2	CREELS	WEST POINT	1984	420 ENDS MAXIMUM 64.5 WIDTH BEAMS
1	WINDER	SCHLAFHORST	1974	BACK WINDER 40 SPINDLE
1	LENO	O.M.M.	1997	PRECISION SPOOLER 4-SPINDLE

Mayfair Mills, Inc.
Pickens Division

Equipment Listing Summary

		Weaving			
81	ZA200	TSUDAKOMA	1984	CAM AIR JET LOOM 190CM 550PPM	
80	L5100	SULZER RUTI - 2441	1988	STAUBLI - AIR JET LOOM 220CM 650PPM	
22	*	SULZER RUTI	1988	CAM - AIR JET LOOM 220CM 650PPM	
3	ZAX	TSUDAKOMA	1992	AIR JET LOOM 190CM 850PPM	
81	MAN.	TSUDAKOMA	1984	FILLING FEEDERS	
82	290556000	TE-STRAKE	1997	FILLING FEEDERS	
3	*	U-SENSOR(SUPERLINE)	1992	ELECTRONIC FEEDERS	
1	GA168104	Technical Fabricators	1999	Electric Warp Truck	
1		Hubtex	1998	Electric Warp Truck (Large)	
1		Hubtex	1998	Electric Warp Truck (Small)	
		Slashing			
1	SLASHER	GRIFFIN	1998	SLASHER	
1	CREEL	GRIFFIN	1998	40 BEAM MAGAZINE CREEL (20/SIDE)	
		Cloth Room			
1	*	ALEXANDER	1988	INSPECTION FRAME	
1	*	ALEXANDER	1987	INSPECTION FRAME	
1	*	BOND	1981	INSPECTION FRAME	
1	*	BOND	1985	INSPECTION FRAME	
1	3384	BOND	1979	INSPECTION FRAME	
1	*	BOND	1981	RE-ROLL / SEC INSP.	
1	*	BOND	1981	RE-INSPECTION FRAME	
				SEWING MACHINES	
8	70-D3B-2	MERROW		FOLDER	
1	*	CURTIS & MARBLE	1965	BALE PRESS	
1	PRESS	HUNTER	1985		
		Waste House			
1	PRESS	CONTINENTAL AIR SYSTEMS	1984	WASTE BALER	
1	PRESS	J.T. BEATY MACH.	7	WASTE BALER (AUTO)	

Mayfair Mills, Inc.
Pickens Division

Equipment Listing Summary

3 *
1 CP400-300
1 CR439-C00

1 C1248-78411
FILE 1 300DA-3
1 DCC8

1 D14A
1 AO600

1 CVHB125DL

1 *
1 *
1 *
1 *
1 *
1 *
1 *
1 *
FILE 1 *

1 L-349-635
1 MCI P/N 0002-004
1 L-347-1244
1 AD-5512.3018/22

1 4878-112 UTZ MO8-L-344
UTZ-RE 4877-112
UTZ-RE 4878-112
UTZ-PO 4879-112
UTZ-PI 4881-111
UTG-SPZ 4880-112

1 KET-808
1 KET-808
1 KET-808
1 KET-808
1 KET-808
1 KX-P2123
1 GT4000
1 Polyscale V
1 DH
2

Auxiliary Equipment

SAHARA	1994	AIR DRYER
CLEAVER BROOKS	1973	BOILER (NATURAL GAS / OIL)
CLEAVER BROOKS	1971	BOILER (NATURAL GAS / OIL)
COMPARE KELLOG		AIR COMPRESSOR 100HP
ELLIOTT	1996	AIR COMPRESSOR 700HP
ELLIOTT	1985	AIR COMPRESSOR 1260HP
ELLIOTT	1984	AIR COMPRESSOR 1260HP
KELAIR	?	AIR DRYER
PNEUMATECH	?	AIR DRYER
TRANE	1979	REFRIGERATION 1000 TON
AC CORP	1994	AIR WASHER/WEAVE 83,000 CFM
BAHNSON	1960	AIR WASHER/WEAVE 47,000 CFM
AC CORP	1996	AIR WASHER/WEAVE 54,000 CFM
INDUSTRIAL MECHANICS	1980	AIR WASHER/OPENING 30,450 CFM
INDUSTRIAL MECHANICS	1980	AIR WASHER/CLOTH ROOM 30,450 CFM
UNKNOWN	1980	AIR WASHER/CARD ROOM 48,200 CFM
AC CORP	1994	AIR WASHER/SPINNING 90,000 CFM

Lab Equipment

Mettler	Scales
	Micronaire tester
Alfred Suter Co.	Auto Skeln Winder
Zellweger Uster	Single*End Tester -
Zellweger Uster	Uster Evenness Tester
	Monitor
	Spectrograph
	Recorder
	Imperfection
	Indicator
	Power Control
Kiesoldi	1990 Kiesoldi Evenness tester
Kiesoldi	1990 Measuring Frame
Kiesoldi	1990 Application Fr SPC&PI
Kiesoldi	1990 Diagram Recorder
Kiesoldi	1990 Power Supply
Panasonic	Printer
ILE Labo Equip Co.	Scale
Deuver Inst Co	Scale
Scot Tester Inc	Tester
Booth Electro Systems	Reels

Mayfair Mills, Inc.
Pickens Division

Equipment Listing Summary

1 38SER.CLK CGC
25C365-L-0083-
1 25SER.CLK CGC
25-1132-8484
1 25SER.CLK CGC
25-CGC-25-1134-
1 PWD568-125-
9355

VIN

1 1FDJF37G1ENAB
7730
1 1FDNF70H8GVA
28849
1 1FTEF17WXVND
34485
1

331 Plast/Fiber Cans
280 Fiber Cans
3644 Plastic Cans

111 Section Beams
183 Loom Beams
148 Loom Beams

Warehouse LEASED EQUIPMENT

Clark Lift Fork Lift
Clark Lift Fork Lift
Clark Lift Fork Lift
Clark Lift EV-T5 Weave Room Cloth Jack

Plant Vehicles

Ford 1984 F350 Flatbed Truck
Ford 1988 MHVVF70 Van Truck
Ford 1997 F17 Pickup Truck
Plant Tractor

OTHER

30"
20"
16"
54.5x42
180cm 940mm flange
220cm 940mm flange

Card Silver Cans
Breaker & Int. Drawing Cans
RSB Drawing Cans

Warper Section Beams
Tsudakoma Loom Beams
Solzer Loom Beams

81 21 10. 20/60 3111 X2
RX TIME 09/20/01 17:18

9223-623-4988 NO1115001
8642428324

P. 02

Summary of
all Yarn Packages
STOCK - IN - PROCESS
S-U-M-M-A-R-Y S-H-E-E-T

PERIOD ENDING Aug 31 2001 PAGE NO. OF
PLANT Pickens DEPARTMENT Spinning Warehouse
PROCESS All * INVENTORY ITEM Yarn

PLEASE SUMMARIZE ONLY
ONE ITEM PER PAGE

TAG NO.	AREA	* ITEM DESCRIPTION	** PUT-UP DESC	QUANTITY * COUNT
	(LOCATION)	(GTN-SYN) (YARN-CLOTH)	(BALES-CASES-ROLLS) (CANS-BOBBINS-CONES)	(UNITS)
	<u>Grand</u>	<u>Spin</u>	<u>Full 23 1/2 Yarn</u>	<u>38247</u> 44
	<u>Summary</u>	<u>Spin</u>	<u>" "</u>	<u>8793</u>
		<u>Spin</u>	<u>1/2 Full "</u>	<u>120</u> 616
		<u>Backwinder</u>	<u>Full 1 Yarn</u>	<u>30</u>
			<u>18 1/2 Full</u>	<u>389</u> 2500
			<u>16 1/2 Full</u>	<u>152</u> 1000
			<u>1/2 Full</u>	<u>105</u>
			<u>19 1/2 Full</u>	<u>167</u> 1000
			<u>1/2 Full</u>	<u>48</u>
			<u>26 1/2 Full</u>	<u>467</u> 3000
			<u>1/2 Full</u>	<u>175</u>
			<u>19 1/2 Full</u>	<u>48</u>
			<u>1/2 Full</u>	<u>90</u>
			<u>14 1/2 Full</u>	<u>454</u>
			<u>1/2 Full</u>	<u>110</u>

RX TIME 09/07 '01 17:18

LOCATION: 864-639-798; 9223-639-798

STOCK - IN - PROCESS S-U-M-M-A-R-Y S-H-E-E-T

PERIOD ENDING Aug. 31, 1961

PAGE NO. _____ OF _____

PLANT Lycopers

DEPARTMENT Special Agent in Charge

PROCESS Opid - Xerox

* INVENTORY ITEM Local

**PLEASE SUMMARIZE ONLY
ONE ITEM PER PAGE**

TAG NO.	AREA	ITEM DESCRIPTION (DTN-SYN) (YARN-CLOTH)	PUT-UP DESC (BALES-CASES-ROLLS) (CANS-BOBBINS-CONES)	QUANTITY COUNT (UNITS)
			300 Can. / 120 M3	26
			LUNA. 242 M3	12
		Pieces	Mixed Yarn	320
		Subtotal	141 1/2 M3	493